

Compliance Essentials

Knowledge Test – Health Insurance Applications (ACA & Private)

Instructions

Select the best answer for each question. This assessment checks understanding of health insurance compliance, application accuracy, and agent responsibilities.

Question 1

What does “compliance” mean in health insurance?

- A. Selling plans at the lowest possible price
 - B. Following federal and state insurance rules and carrier guidelines
 - C. Enrolling as many clients as possible
 - D. Helping clients qualify for any plan
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Question 2

Why is compliance important for agents?

- A. It increases commission rates
 - B. It protects agents from audits, chargebacks, and contract termination
 - C. It speeds up enrollments
 - D. It eliminates underwriting
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Question 3

Which information must always be reported accurately on applications?

- A. Only name and address
 - B. Household income, household size, and eligibility information
 - C. Premium amount
 - D. Agent notes
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Question 4

ACA subsidies are primarily based on:

- A. Credit score
 - B. Medical history
 - C. Household income and family size
 - D. Age only
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Question 5

What can happen if ACA income is misreported?

- A. Faster approval
 - B. Automatic plan upgrades
 - C. Subsidy repayment at tax time
 - D. No consequences
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Question 6

Private health insurance applications typically rely on:

- A. Income verification
 - B. Employer verification
 - C. Medical underwriting and health history
 - D. State residency only
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Question 7

What may occur if medical history is omitted or falsified on a private plan application?

- A. Higher premiums only
 - B. Claim denial or policy rescission
 - C. Additional subsidies
 - D. Faster claims processing
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Question 8

Which action is considered a compliance violation?

- A. Asking clients clear eligibility questions
 - B. Verifying employer coverage
 - C. Guessing income to qualify for subsidies
 - D. Documenting client responses
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Question 9

Why should agents never advise clients to lie on applications?

- A. It delays enrollment
 - B. It only affects the carrier
 - C. It can financially harm clients and agents
 - D. It lowers commissions
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Question 10

Which is an agent's responsibility during the application process?

- A. Choosing answers for the client
 - B. Adjusting information to lower premiums
 - C. Educating clients and submitting truthful information
 - D. Ignoring missing details
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Question 11

Which is a common ACA compliance mistake?

- A. Explaining subsidies clearly
 - B. Not disclosing access to employer-sponsored coverage
 - C. Reviewing eligibility before submission
 - D. Providing documentation
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Question 12

Why is documentation important for compliance?

- A. It increases commission payments
 - B. It protects agents during audits or disputes
 - C. It replaces carrier records
 - D. It speeds up claims
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Question 13

Which statement is TRUE about compliance?

- A. Compliance only applies to ACA plans
- B. Compliance is optional for experienced agents

- C. Compliance applies to both ACA and private plans
 - D. Compliance ends after enrollment
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Question 14

What is the best way to protect clients during enrollment?

- A. Enrolling quickly
 - B. Choosing the cheapest plan
 - C. Educating clients and setting accurate expectations
 - D. Avoiding compliance discussions
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Question 15

Why does strong compliance reduce cancellations and disputes?

- A. Claims are paid faster
- B. Clients understand rules and consequences upfront
- C. Plans cost less
- D. Networks expand automatically